

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Public Health Service
Bemidji Area Indian Health Service
Bemidji, Minnesota 56601

Refer to: OEHE

Bemidji Area Indian Health Service Circular No 02-03

PRIORITY RANKING FOR COMPETITIVE PROJECTS

Sec.

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1. **PURPOSE.** To define the policy and establish the procedure to determine priority ranking for competitive projects proposed for funding from the Maintenance and Improvement (M&I) project pool.
2. **BACKGROUND.** The Bemidji Area Facilities Management program receives an annual M&I budget for Routine Activities and Competitive Projects. Competitive projects are proposed by Service Units and "638" programs and managed by Area Facilities Management. Projects proposed for competitive funding are those a Service Unit or "638" program cannot support with their Routine Activities funds. M&I projects are proposed in the Facility Engineering Program Plan - Phase I for each fiscal year.

Major M&I Project funds are expended **ONLY** to correct deficiencies identified in the Facilities Engineering Deficiency System (FEDS).

M&I Project funds are limited and will not be adequate for all deficiencies requiring correction. M&I funds for eligible projects must be allocated according to priority.

3. **POLICY AND PROCEDURE.** All projects proposed for M&I Projects funding will be identified in the FEDS. Projects shall be identified in the appropriate section of the FEPP-1 for the fiscal year for which funding is proposed. Bemidji Area Facilities Management will calculate project priority according to the following formula:

Priority = U + A + F (+ T, if needed)

Where: U = Urgency factor = D x S, where
D = Deficiency factor, and
S = deficiency Significance factor;
A = deficiency Age factor; and
F = Facility priority factor

Projects proposed for pool funding may be a single item and group of items in a single deficiency type, or they may be items of two or more deficiency types. These items may have the same significance factor or have individual values. When a proposed pool project has multiple deficiency and/or significance types the priority points shall be calculated for

each different deficiency/significance condition. The resulting priority points shall be apportioned to the project according to the dollar value of each condition.

Deficiencies included in a project because of code or regulation which must be corrected because of remodeling or building activity shall not be included in the apportionment. The urgency factor, U, is the primary priority determinant. The deficiency age, A, and facility priority, F, factors further define the relative importance of proposed projects. The factors are described below.

When projects have identical priority ranking values, a tie breaker factor (T) will be applied to separate the priority position of the equal projects.

Urgency Factor (U): The Urgency Factor describes the need to complete a project in a timely manner. U is determined by multiplying values for the deficiency code factor and the deficiency significance factor. Values for the deficiency code factor are assigned according to the relative importance of each deficiency. Values for the deficiency safety factor are assigned according the relative seriousness of the deficiency. When the deficiency and safety factors are combined they identify categorical differences of proposed projects.

Where some deficiency code factors have equal values, the application of the significance factor separates projects by their relative importance. The situations describe conditions affecting human safety or the continued operation of the facility. The values for each situation are assigned according to the relative importance of each situation.

Deficiency Code Factor (D): Table 1 lists the types of deficiencies identified in the FEDS and assigns relative values to them. M&I funds are intended to correct deficiencies for real property and building service equipment deficiencies. Patient care, environmental quality, and program deficiencies are primarily corrected with related program funds. Therefore, real property and building service equipment deficiencies are valued higher than other deficiencies.

Deficiency Significance Factor (S): Table 2 lists conditions affecting the significance of a deficiency. Situations in the table describe conditions affecting human safety or continued operation of the facility. The values for each situation are assigned according to the potential to cause injury or death, to interfere with patient care, or to cause a facility to close.

Age Factor (A): The time a deficiency exists usually worsens its condition and increases its merit against other deficiencies. It is possible for a deficiency to remain uncorrected for the life of a facility because it ranks lower than others. The age of a deficiency increases its importance to correct. The age factor is rated as 1/2 point for each year the deficiency is listed in the FEDS.

Facility Priority Factor (F): The priority of a project should reflect its importance to the service unit. When identical deficiencies are listed by different facilities (one as first priority the other as second) greater weight is given to the proposal with the first priority since it was more important to the one facility. The priority factor is rated as:

Priority:	1st	2nd	3rd	4th	5th
Value:	10	7	5	4	3

Tie Breaker (T): When two or more projects have the same priority ranking value, a two-part tie breaker is used to separate the projects. The tie breaker will not change a project priority score.

T_A: Subtract 1 point for each \$5,000 of competitive project funds the service unit or program received during the last five years.

If, after adjusting priority ranking values with T_A, projects are still tied, T_B will be used.

T_B: Add 1 point for each \$5,000 the service unit or program will contribute to the project. Commitment of funds contribution must be in writing to receive the points.

COMPETITIVE PROJECT FUNDS DISTRIBUTION

Competitive project funds will be distributed to facilities according to a priority ranking list. If funds are not sufficient for the next project on the list, the service unit/program may contribute the funding shortage. If that service unit/program declines to contribute additional funds for its project the next project on the priority ranking list will be considered for funding.

The service unit/program shall submit to Area Facilities Management a written agreement to provide its funds before competitive project funds are released. Failure to provide a written agreement in a timely manner shall be a refusal to contribute funds.

4. **EXHIBITS: POLICIES AND PROCEDURES. EXHIBIT A**, Table 1, Bemidji Area Project Priority, Deficiency Factor, lists deficiency codes and titles used in the IHS FEDS data base. Point values assigned to deficiencies reflect the relative importance of each.

EXHIBIT B, Table 2, Bemidji Area Project Priority, Deficiency Significance, lists conditions applicable to each deficiency code. These conditions are assigned point values reflecting the relative importance of each.

EXHIBIT C, Project Priority Calculation Example, shows how the priority calculation is made.

Kathleen Annette, M.D.
Director, Bemidji Area
Indian Health Service

EXHIBIT A

TABLE 1
BEMIDJI AREA PROJECT PRIORITY

CODE	DEFICIENCY FACTOR	VALUE
1	Patient Care	1
2	Fire & Life Safety	10
3	Safety	9
4	Environmental Compliance	7
5	Program	1
6	Unmet Supportable Space Needs	5
7	Handicapped Compliance	5
8	Energy Conservation	3
9	Plant Management	7
10	Architectural M&R	7
11	Structural M&R	7
12	Mechanical M&R	7
13	Electrical M&R	7
14	Utilities M&R	7
15	Grounds M&R	1
16	Painting M&R	7
17	Roof M&R	7
99	Other	TBD

M&R = Maintenance and Repair

TBD = To Be Determined by consultation between the pool project proposer and Bemidji Area Facilities Management staff. The project will be reviewed by the Facilities Board to confirm the priority points.

EXHIBIT B

TABLE 2
BEMIDJI AREA PROJECT PRIORITY

CODE	DEFICIENCY SIGNIFICANCE	VALUE
A	Projects to correct life-threatening situations	15
B	Projects required for compliance with public law, which if not completed by established dates can result in legal action(s) against the IHS or Tribe.	14
C	Projects designed to maintain and protect facilities. If these projects are not completed within 3 years, facility operations could be halted or seriously impaired.	12
D	Projects to increase the capabilities and/or efficiencies of health care delivery (renovations within existing square footage, JCAHO, CAP, etc).	10
E	Energy conservation projects with a payback in less than 3 years.	9
F	Public law compliance projects (handicap accessibility, environmental compliance, energy conservation w/3+ year payback, etc) for which legal action is not considered.	7
G	Projects to reduce current backlog of maintenance and repair, which if not completed within 3 years would not seriously impair facility operations.	5
H	Projects requiring additional square footage not to exceed 1500 net square feet for which an approved planning document is attached.	3
I	Projects to improve the work/patient environment and morale.	2
J	Comments or projects on hold.	0

EXHIBIT C**PROJECT PRIORITY CALCULATION****EXAMPLE****FACILITY "A"****HVAC CONTROLS CONVERSION TO DIRECT DIGITAL CONTROL**

This project is an energy conservation project (Significance Code E), for Mechanical M&R (Deficiency Code 12). This is the second priority of the facility's two proposed competitive projects. This project will correct a deficiency identified this year. The facility received \$75,000 competitive project funding in the last three years.

The project priority is calculated from the following:

(Significance Factor X Deficiency Code Factor) + Age + Priority

$$\text{Priority} = (9 \times 7) + 0 + 7 = 70$$

FACILITY "B"**UPGRADE UNDERGROUND STORAGE TANK TO MEET PUBLIC LAW REQUIREMENTS**

This project is a public law requirement which if not competed by December 1999 could result in civil and criminal penalties imposed by the Environmental Protection Agency (Significance Code B). The deficiency is a Utilities M&R (Deficiency Code 14). The deficiency has existed for 10 years, but was identified this year. This is the facility's only project proposed. The facility received \$40,000 competitive project funding in the past eight years. \$15,000 was received in the last five years.

The project priority is calculated from the following:

(Significance Factor X Deficiency Code Factor) + Age + Priority

$$\text{Priority} = (15 \times 7) + 0 + 10 = 115$$

FACILITY "C"**REMODEL PHARMACY TO INSTALL COUNTER FOR CUSTOMER SERVICE****AND LIMIT UNAUTHORIZED ACCESS TO DRUG STORAGE AREA**

This project is for a program activity affecting customer service, security, and to some extent safety. It is best characterized as a Significance Code D. The deficiency factor, because of the potential for drug theft and misuse, may be classified as Safety. The deficiency has been in the FEDS for 7 years, but has not had sufficient priority points for funding. This is the first priority of four proposed competitive projects. The facility has not received competitive project funding for the last five years.

EXHIBIT C (continued)

The project priority is calculated from the following:

(Significance Factor X Deficiency Code Factor) + Age + Priority

$$\text{Priority} = (10 \times 10) + 3.5 + 10 = 113.5$$

PRIORITY RANKING

Facility B: 115 points

Facility C: 123.5 points

Facility A: 70 points

TIE BREAKER

If any of the projects above were tied for priority points with another project the tie breaker value, T_a , would be calculated as follows.

$$\text{Facility A: } T_A = -1 \times (\$75,000/\$5,000) = -15$$

$$\text{Facility B: } T_A = -1 \times (\$15,000/\$5,000) = -3$$

$$\text{Facility C: } T_A = -1 \times (\$0/\$5,000) = -0$$